

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MEXICO 03084 060106 Z

72

ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 COME-00 DOTE-00 AGR-20 AID-20

INRE-00 SSO-00 RSR-01 RSC-01 /065 W

----- 118121

O 052358 Z MAY 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC NIACT IMMEDIATE 5739

LIMITED OFFICIAL USE MEXICO 3084

E. O. 11652: N/ A

TAGS: ETRN, MX

SUBJ: RETURN OF US RAIL CARS

REF: STATE 085556

1. FOLLOWING RECEIPT REFTEL, ECONOMIC COUNSELOR, AGRICULTURAL ATTACHE' AND TRANSPORTATION ATTACHE' REQUESTED AND OBTAINED APPOINTMENT EVENING OF MAY 4 WITH LIC. JORGE DE LA VEGA, DIRECTOR GENERAL OF CONASUPO ( COMPANIA NACIONAL DE SUBSISTENCIAS POPULARES) TO DISCUSS PROBLEM. WE DECIDED APPROACH CONASUPO FIRST BECAUSE OF BELIEF COMMODITIES IN BOX CARS AT BORDER CONSISTED ALMOST ENTIRELY OF BASIC FOOD SUPPLIES PURCHASED BY CONASUPO.

2. DE LA VEGA AND OTHER CONASUPO OFFICIALS CONFIRMED THIS AND SAID THAT BADLY NEEDED WHEAT, CORN, SOY MEAL WERE NOW AT BORDER WITH ADDITIONAL AMOUNTS IN PIPELINE. ACCORDING DE LA VEGA IF 38,000 TONS OF WHEAT NOT RECEIVED FROM THESE SUPPLIES WITHIN NEXT WEEK, BAKERS IN MEXICO CITY WOULD BE FORCED SHUT DOWN OWING LACK OF SUPPLIES. HE SUGGESTED EMBASSY REPRESENTATIVES DISCUSS MATTER WITH FNM DIRECTOR VILLASENOR WITH WHOM HE HAD PREVIOUSLY BEEN IN CONTACT AND PERSONALLY CALLED VILLASENOR TO SET UP APPOINTMENT AT 12:30 ON MAY 5. DE LA VEGA REQUESTED THAT EMBASSY REPRESENTATIVES INFORM HIM NOT LATER THAN MONDAY MAY 7 WHETHER ACCEPTABLE SOLUTION TO PROBLEM SEEMED POSSIBLE. ECONOMIC COUNSELOR SAID IT MIGHT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 03084 060106 Z

BE DIFFICULT GIVE INFORMED OPINION UNTIL LATER CONSULTATION WITH WASHINGTON AND AAR OFFICIALS MEETING IN HOUSTON MAY 7, BUT AGREED CALL DE LA VEGA MONDAY MORNING TO GIVE PROGRESS REPORT. DE LA VEGA SAID IF NO SOLUTION IN SIGHT BY MONDAY HE WOULD REQUEST APPOINTMENT WITH PRESIDENT ECHEVERRIA MONDAY EVENING TO INFORM HIM OF DIFFICULTIES AND ELICIT HIS HELP.

3. CONASUPO OFFICIALS SAID THEY WILLING TO DO EVERYTHING WITHIN THEIR POWER TO ASSIST, INCLUDING IMMEDIATE OFF- LOADING OF BOXCARS AND PLACING IN WAREHOUSES OF SUPPLIES FOR CONASUPO, IF NECESSARY TO AVOID DELAY.

4. TODAY ECONOMIC COUNSELOR AND TRANSPORTATION ATTACHE' MET AS SCHEDULED WITH LIC. MANUAL VILLASENOR, GENERAL MANAGER OF FNM, WHO OUTLINED FOLLOWING RECENT ACTIONS TAKEN TO AVOID EMBARGO BY EXPEDITING RETURN U. S. RAIL CARS:

A. EARLY APRIL SPECIAL COMMISSION CREATED AT MEXICO CITY, MONTERREY, GUADALAJARA, AND MONCLOVA TO TRACE U. S. CARS, PREVENT THEIR MISUSE, AND EXPEDITE RETURN.

B. APRIL 17 URGENT INSTRUCTIONS SENT ALL DIVISIONS TO RETURN IMMEDIATELY ALL U. S. RAIL CARS AT NEAREST OR MOST CONVENIENT POINT ON FRONTIER, NOT NECESSARILY ORIGINAL POINT OF ENTRY.

C. SENDING OF ADDITIONAL MEXICAN CUSTOMS PERSONNEL TO LOREDO TO SPEED DOCUMENTATION.

D. ON BASIS ESTIMATED EFFICACY ABOVE MEASURES FNM AGREED TO APRIL 26 PLAN WITH AAR OFFICIALS.

5. RESULT LARGE CONASUPO FOODSTUFF ORDERS, LOCOMOTIVE SHORTAGE AND LACK OF EFFECTIVE FOLLOW- THROUGH PLAN FAILED TO ACHIEVE OBJECTIVE. ACCORDING FNM FIGURES FROM APRIL 17 - MAY 3 NUMBER OF U. S. CARS IN COUNTRY INCREASED BY 750 AND SHORTFALL FROM AAR AGREEMENT TOTALLED 1,710, CALCULATED AS FOLLOWS:

CARS RECEIVED - 3,052

CARS RETURNED - 2,302

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MEXICO 03084 060106 Z

PLUS 960 RETURNS NOT EFFECTED (60 CARS TIMES 16 DAYS).

6. SITUATION EXPECTED TO IMPROVE WITH DELIVERY OF 20 NEWLY PURCHASED LOCOMOTIVES MONTHLY BEGINNING MAY AND RECEIPT WITHIN PAST TWO WEEKS OF 4 LOCOMOTIVES FROM MISSOURI PACIFIC, ONE OR TWO FROM TEXMEX, AND TWO ADDITIONAL DUE SHORTLY FROM

MISSOURI PACIFIC.

7. AFTER HEARING VILLASENOR REPORT, ECONOMIC COUNSELOR INFORMED HIM OF DE LA VEGA' S OFFER PARAGRAPH 3. VILLASENOR CALLED DE LA VEGA FOR DETAILS OF CONASUPO PLAN WHICH CONSISTED OF OFFER TO UNLOAD ALL CONASUPO PRODUCTS, EXCEPT WHEAT, AT CONASUPO WAREHOUSES IN NUEVO LAREDO, GUADALAJARA, AND MONTERREY PERMITTING IMMEDIATE RETURN U. S. CARS WITH SUBSEQUENT DISTRIBUTION WITHIN MEXICO TO BE ACCOMPLISHED AT CONASUPO EXPENSE. VILLASENOR ACCEPTED OFFER AND SAID HE WAS NOW CONFIDENT THAT PROBLEM CAN BE RESOLVED QUICKLY.

8. ECONOMIC COUNSELOR SUGGESTED THAT FNM REPRESENTATIVES FROM MEXICO ATTEND MONDAY' S AAR MEETING IN HOUSTON TO EXPLAIN IN DETAIL PROPOSED SOLUTION. VILLASENOR ORDERED HIS ASSISTANT DIRECTOR MANUEL AVILA AND HIS TRAFFIC MANAGER RAMIREZ SOLANO, BOTH OF WHOM WERE PRESENT, TO ATTEND MEETING.

9. RECOMMENDATION: IN VIEW URGENT NEED BY MEXICO FOR BASIC COMMODITIES INVOLVED AND FACT THESE REPRESENT SIZEABLE AMERICAN EXPORTS, AS WELL AS APPARENT SINCERE EFFORTS GOM OFFICIALS RESOLVE PROBLEM, EMBASSY HOPES FNM OFFICIALS WILL BE ABLE CONVINCE AAR REPRESENTATIVES THAT PROPOSED MEASURES OFFER PROSPECT OF ACCEPTABLE SOLUTION TO DIFFICULTIES. IF IMPASSE STILL EXISTS AFTER MAY 7 MEETING HOWEVER, EMBASSY RECOMMENDS NO ACTION BE TAKEN RE EMBARGO PENDING FURTHER CONSULTATION WITH DE LA VEGA GIVING HIM OPPORTUNITY TO DISCUSS PROBLEM WITH PRESIDENT ECHEVERRIA. SUGGEST ABOVE INFORMATION BE COMMUNICATED TO APPROPRIATE OFFICIALS AAR AND ICC.  
DEAN

LIMITED OFFICIAL USE  
NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** hilburpw  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973MEXICO03084  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** MEXICO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730537/aaaaiabn.tel  
**Line Count:** 147  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 STATE 85556  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** hilburpw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23-Jan-2002 by willialc>; APPROVED <12 FEB 2002 by hilburpw>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> mcm 971215  
**Subject:** RETURN OF US RAIL CARS  
**TAGS:** ETRN, MX, ETRN  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005